

Date of issuance: 15 March 2021

Product Highlights Sheet

Principal e-Cash Fund (Class B)

Responsibility Statement

This PHS has been reviewed by the authorised committee approved by the directors of Principal Malaysia. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omissions of other facts which would make any statement in the PHS false or misleading.

Statements of Disclaimer

The Securities Commission Malaysia has authorized/recognised the issuance of the Fund and a copy of this PHS has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement of this PHS, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this PHS.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of Principal Malaysia responsible for the Fund and takes no responsibility for the contents of this PHS. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this PHS, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

The Manager

Principal Malaysia holds a Capital Markets Services Licence for fund management and dealing in securities restricted to unit trust under the Capital Markets and Services Act 2007 and specializes in managing and operating unit trusts for investor, both institutional and retail. Principal Malaysia's responsibilities include managing investment portfolios by providing fund management services to insurance companies, pension funds, unit trust companies, corporations and government institutions in Malaysia. In addition, Principal Malaysia is an approved private retirement scheme provider in Malaysia. Principal originally commenced its operations as a unit trust company in November 1995.

This PHS only highlights the key features and risks of this unlisted capital market product. We recommend that you read this PHS together with the Prospectus for Principal e-Cash Fund dated 15 March 2021 and its supplementary (if any). You are advised to request, read and understand the Prospectus before deciding to invest.

Brief Information on Principal e-Cash Fund

Principal e-Cash Fund is a money market fund issued by Principal Malaysia. The Fund aims to provide investors with liquidity and income. The Fund is established with a multi-class structure and is allowed to establish new Class(es) from time to time without your prior consent.

This PHS only consists of information on Class B of the Fund. Please note that Class B is only available for institutional investors.

This is neither a capital protected nor capital guaranteed fund.

Investors Eligibility

You are eligible if you are an institution including a company, corporation, co-operative, trust or pension fund. Please note that we have the right to reject an application on reasonable grounds.

Product Suitability

The Fund best suits you if you:

- have a short-term investment horizon;
- desire a stream of income; and
- seek liquid and low risk investment.

Key Product Features

Fund Category/Type	Money Market / Income.					
Base currency	MYR					
Benchmark	CIMB Bank Ringgit Malaysia Basic Savings Account Top Tier Rate. <i>Note: The benchmark is for performance comparison only. You are cautioned that the risk profile of the Fund is higher than the benchmark. The information of the benchmark can be obtained from www.cimbbank.com.my.</i>					
Investment strategy	The Fund is actively managed with the aim of achieving a liquid and low risk portfolio. In managing the Fund, we employ a two-pronged strategy that focuses on liquidity (primary focus) and yield enhancement (secondary focus), while ensuring that the overall risk of the portfolio is within the acceptable range. All NAV of the Fund will be invested in a combination of cash (at bank), placement of Deposits, money market instruments and/or debt instruments in MYR. We are flexible in the allocation and the selection of the investments. Generally, we tend to invest in investments that are of short duration and/or high quality to provide the liquidity required by the Fund. Where opportunity arises, we may also invest in high quality debt instruments for yield enhancement if we are of the opinion that such investment will not compromise the liquidity and the performance of the Fund. The minimum credit rating for the money market instrument and debt instruments must be at least "P2" or "A3" respectively by RAM or equivalent by MARC or any reputable credit rating agency in Malaysia.					
Launch date	Fund	:	15 March 2021	Class A	:	15 March 2021
	Class B	:	15 March 2021			
Financial year-end	30 November					
Distribution Policy	Class B: We have the discretion to make income distribution on ad-hoc basis, taking into consideration the level of its realised income and/or realised gains, as well as the performance of the Fund. We have the right to make provisions for reserves in respect of distribution of the Class.					
Manager	Principal Asset Management Berhad					
Trustee	HSBC (Malaysia) Trustee Berhad					
Solicitors	Soon Gan Dion & Partners					

Key Risks

General risks of investing in a unit trust fund	
Returns not guaranteed	The investment of the fund is subject to market fluctuations and its inherent risk. There is NO GUARANTEE on the investment which includes your investment capital and returns, nor any assurance that the fund's objective will be achieved.
Market risk	Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the fund's NAV.
Inflation risk	This is the risk that your investment in the unit trust fund may not grow or generate income at a rate that keeps pace with inflation. This would reduce your purchasing power even though the value of the investment in monetary terms has increased.
Manager risk	This risk refers to the day-to-day management of the fund by us which will impact the performance of the fund. For example, investment decisions undertaken by us, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the fund.
Financing risk	This risk occurs when you take a loan/financing to finance your investment. The inherent risk of investing with borrowed money includes you being unable to service the loan repayments. In the event units are used as collateral, you may be required to top-up your existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.
Specific risks of the Fund	
Liquidity risk	Given that liquidity is an important aspect of the Fund, there may be a risk if the Fund could not meet the required withdrawal amount due to insufficient liquidity. As such, we have designed this Fund to be invested in instruments that are liquid and low risk. In addition, the Fund has obtained variation from the SC on Schedule B Appendix 1 Paragraph (10) of the GUTF which will help in managing the liquidity of the Fund during its first two (2) years by managing the Fund differently depending on the size of the Fund to meet liquidity needs taking into account factors such as withdrawal pattern of the Fund.
Credit and default risk	Investment of the Fund may involve a certain degree of credit and default risk. Generally, credit and default risk is the risk of loss due to the counterparty's and/or issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. We aim to mitigate this risk by performing fundamental credit research and analysis to determine the creditworthiness of its counterparty and/or issuer.
Interest rate risk	Interest rate risk refers to the impact of the changes in the interest rate environment that may affect the performance of the Fund. When interest rates decrease, Financial Institutions may offer Deposits with lower interest rates. As such, this will reduce the potential returns on investment of future Deposits placements which in turn will reduce the potential return on investment of the Fund. As for debt instruments, their prices generally decline when interest rates rise, which would lower the market value of the Fund.
Concentration risk	The Fund may invest in a mix of instruments including Deposits, money market instruments and debt instruments. When deemed necessary, we may skew the investment to Deposits to ensure liquidity. Additionally, the Deposits may also be concentrated to a few counterparties especially when the fund size is small. The value of the Fund's placement in deposits with any single institution may be up to 100% of the Fund's NAV when the Fund's NAV is less than RM2 million, given that the Fund has obtained variation from SC on the Schedule B Appendix 1 Paragraph (10) of the GUTF. As compared to a diversified investments across several financial institutions, a concentrated investment in a single financial institution may subject the Fund to a more significant concentration risk, where adverse developments to that single institution may result in non-payment or untimely payment of the investment amount as well as the returns on investment which may affect the NAV of the Fund. In managing concentration risk, we will only place Deposits with Financial Institutions that have minimum local long-term credit rating of "AA3" by RAM or equivalent rating by MARC or equivalent by any reputable credit rating agency in Malaysia.

You should note that investment in the Fund is not the same as placement in a deposit with a Financial Institution. There are risks involved and you should rely on your own evaluation to assess the merits and risks when investing in the Fund.

For more details, please refer to "Risk Factors" section of the Prospectus. The above summary of risks does not purport to be an exhaustive list of all the risk factors relating to investments in the Fund and are not set out in any particular order of priority. You should be aware that an investment in a unit trust fund may be exposed to other risks from time to time. Please consult your professional advisers for a better understanding of the risks.

Fees & Charges

	Class B
Application Fee	Nil.
Withdrawal Fee	Nil
Switching Fee	Not applicable as switching facility is currently not available
Transfer Fee	Not applicable as transfer facility is currently not available.
Management Fee	Up to 0.45% per annum of the NAV of the Class.
Trustee Fee	Up to 0.03% per annum of the NAV of the Fund.
Other charges payable directly by you when purchasing or withdrawing the units	Any applicable bank charges and other bank fees incurred as a result of an investment or withdrawal will be borne by you.
Expenses directly related to the Fund	Only expenses that are directly related to the Fund can be charged to the Fund. Examples of relevant expenses are audit fee and tax agent's fee.

Note: We may, for any reason at any time, where applicable, waive, or reduce the amount of any fees (except the Trustee Fee) or other charges payable by you to us in respect of the Fund, either generally (for all Investors) or specifically (for any particular Investor, a group of investors or investments made via any digital platform) and for any period or periods of time at our absolute discretion.

Transaction Information

	Class B
Minimum initial investment	RM100,000 or such other amount as we may decide from time to time.
Minimum additional investment	RM10,000 or such other amount as we may decide from time to time.
Minimum withdrawal	10,000 units or such other amount number of units as we may decide from time to time.
Minimum balance	100,000 units or such other amount number of units as we may decide from time to time.
Switching facility	Currently not available.
Transfer facility	Currently not available.
Regular Savings Plan	Not applicable for corporations.
Cooling-off period	Not applicable for corporations.

Note: You may request for a lower amount or number of units when purchasing units (or additional units) or withdrawing units, which will be at our sole and absolute discretion. However, you should note that we may, for any reason at any time, where applicable, accept or reject a lower amount or number of units and without having to assign any reason, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. We may also, for any reason at any time, where applicable, reduce the minimum balance, either generally (for all investors) or specifically (for any particular investor, a group of investors or investments made via any digital platform) without prior notice to you. For increase in the number of units for minimum withdrawal and minimum balance, we will require concurrence from the Trustee and you will be notified of such changes before implementation.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT/EMPLOYEE OF PRINCIPAL MALAYSIA OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT/EMPLOYEE OF PRINCIPAL MALAYSIA WHEN PURCHASING UNIT TRUST FUND.

Valuations

We adopt a single pricing method for any transactions (i.e. applications, withdrawals, switches and/or transfers) based on **historical prices**. The daily valuation point will be at 9:00 p.m. (“Valuation Point”). This means that we will process your transactions request based on the NAV per unit at the last Valuation Point after we receive the completed transaction requests from you.

After the initial offer period, the Fund will be valued at least once every day. As the Fund adopts historical pricing, the Fund will have an additional valuation point every day during the mid-day (“Mid-day Valuation Point”).

WE WILL RE-PRICE THE UNITS IF THE NAV PER UNIT DIFFERS BY MORE THAN 5% FROM THE LAST VALUATION POINT.

The NAV per unit for Class B is available on our website at <http://www.principal.com.my> after 9:00 p.m. daily.

Avenues to Exit This Investment

To exit from this investment, you may withdraw from the Fund. We will process your withdrawal request based on the NAV per unit at the last Valuation Point after we receive the completed relevant withdrawal requests from you. If we receive a complete withdrawal request by 4:00 p.m. on a Business Day, we will process it on that Business Day (T day) based on the NAV per unit at the last Valuation Point. If we receive the withdrawal request after 4:00 p.m. on a Business Day, we will process it on the next Business Day (T+1) based on the NAV per unit of the last Valuation Point.

The amount that you will receive is calculated by the withdrawal value less the withdrawal fee (if any). You will be paid in MYR within four (4) Business Days (or T+3 Business Day) of receipt of the complete withdrawal request. For a withdrawal amount greater than RM10 million, or if you are withdrawing your entire investment, you are required to provide us with a written notice (electronically or otherwise) of minimum five (5) Business Days of such intention to withdraw to enable us to process the withdrawal. You will have to bear the applicable bank fees and charges, if any.

For more information on withdrawal and cooling-off period, please refer to the “Transaction Information” chapter of the Prospectus. For more information on the fees and charges incur when you exit from this investment, please refer to “Fees, Charges and Expenses” chapter of the Prospectus.

Contact for Further Information / Complaint

- (i) You may contact our **Customer Care Centre** at **(03) 7718 3000** for further information or for any dispute resolution. Our Customer Care Centre is available between 8:45 a.m. and 5:45 p.m. (Malaysian time) on Mondays to Thursdays and between 8:45 a.m. to 4:45 p.m. (Malaysian time) on Fridays (except on Selangor and/or Kuala Lumpur public holidays) or you can e-mail us at digitalsales@principal.com.my.
- (ii) If you are dissatisfied with the outcome of the dispute resolution process with us, please refer your dispute to Securities Industry Dispute Resolution Center (SIDREC):
 - via phone to : 03-2282 2280
 - via fax to : 03-2282 3855
 - via e-mail to : info@sidrec.com.my
 - via letter to : Securities Industry Dispute Resolution Center
Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur
- (iii) You can also direct your complaint to the SC even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC’s Consumer & Investor Office:
 - via phone to : 03-6204 8999
 - via fax to : 03-6204 8991
 - via e-mail to : aduan@seccom.com.my
 - via online complaint form available at www.sc.com.my
 - via letter to : Consumer & Investor Office
Securities Commission Malaysia
No 3, Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur
- (iv) Federation of Investment Managers Malaysia’s Complaints Bureau:
 - via phone to : 03-2092 3800
 - via fax to : 03-2093 2700
 - via e-mail to : complaints@fimm.com.my
 - via online complaint form available at www.fimm.com.my
 - via letter to : Legal, Secretarial & Regulatory Affairs
Federation of Investment Managers Malaysia

Appendix: Glossary

Application Fee	- Preliminary charge on each investment.
Business Day	- Mondays to Fridays when Bursa Malaysia Securities Berhad is open for trading, and/or banks in Kuala Lumpur are open for business.
Class(es)	- Any classes of units representing similar interest in the assets of the Fund and differentiated by features such as type of eligible investors, transaction amount, transaction methods, currency denomination, fees and charges and/or distribution policy.
Deposit	- As per the definition of “deposit” in the Financial Services Act 2013 and “Islamic deposit” in the Islamic Financial Services Act 2013.
Deed	- The principal deed and all supplemental deed in respect of the Fund made between us and the Trustee, in which the Unit holders agree to be bound by the provisions of the Deed.
Distributors	- Any relevant persons and bodies appointed by Principal Malaysia from time to time, who are responsible for selling units of the Fund, including Principal Distributors.
Financial Institution	- As per the definition of “financial institution” in the GUTF.
Fund or e-Cash	- Principal e-Cash Fund.
GUTF	- Guidelines on Unit Trust Funds issued by the SC.
Management Fee	- A percentage of the NAV of the Class that is paid to us for managing the portfolio of the Fund.
Mid-day Valuation Point	- Refers to the additional valuation performed every day for the Fund during the mid-day.
NAV	- Net Asset Value.
NAV of the Fund	- The value of all the Fund’s assets less the value of all the Fund’s liabilities (including Management Fee and Trustee Fee) at the Valuation Point.
NAV of the Class	- The NAV of the Fund attributable to a Class at the Valuation Point.
NAV per unit	- The NAV of the Class of divided by the number of units in circulation for that Class, at the Valuation Point.
Principal Distributors	- Refers to the unit trust scheme consultants of Principal Malaysia (authorised Principal Malaysia distributors).
Principal Malaysia, the Manager, we or us	- Principal Asset Management Berhad.
PHS	- Refers to Product Highlights Sheet, the document issued by the Manager that contains clear and concise information of the salient features of the Fund.
Prospectus	- Refers to the document issued by us describing the details of the Fund.
SC	- Securities Commission Malaysia.
Trustee	- HSBC (Malaysia) Trustee Berhad.
Unit holder	- The registered holder for the time being of a unit of the Fund.
Valuation Point	- Refers to the daily valuation of the Fund at 9:00pm.

Note: Unless the context otherwise requires;

- words importing the singular number should include the plural number and vice versa;
- reference to any rules, regulations, guidelines, standards, directives, notices, legislation or statutes in this PHS shall be reference to those rules, regulations, guidelines, standards, directives, notices, legislations or statutes for the time being in force, as may be amended, varied, modified, updated, superseded and/or re-enacted, from time to time;
- time disclosed in this PHS should be indicated as Malaysia time; and
- reference to “days” in this PHS will be taken to mean calendar days.

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